



## **Newgen Software Technologies Limited**

### **Criteria of making payments to Non-Executive Directors**

The Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 have enhanced the corporate governance norms to be complied by all Companies and dynamic business environment have placed more onerous responsibilities on the Non-Executive Directors (NED).

The Company believes that the remuneration paid to its Non- executive Independent Directors should be reflective of the size of the Company and complexity of the sector/ industry/ Company's operations and should be consistent with recognized best practices. Overall remuneration (sitting fees) should be reasonable and sufficient to attract, retain and motivate Non- executive Directors aligned to the requirements of the Company, taking into consideration the challenges faced by the Company and its future growth imperative.

SEBI (Listing Obligation Disclosure Requirement) Regulation 2015 provides that all fees/ compensation, if any paid to non-executive directors, including independent directors, shall be fixed by the Board of Directors and shall require previous approval of the shareholders in general meeting. Provided that, requirement of obtaining prior approval of shareholders in general meeting shall not apply to payment of sitting fees to non-executive directors, if made within the limits prescribed under Companies Act, 2013. In keeping with the above, any fee/remuneration payable to the Non Executive Directors of the Company shall abide by the following:

- ❖ Independent Directors ("ID") and Non- Executive Directors ("NED") may receive remuneration by way of sitting fees for attending the meetings of the Board and of committees of which they may be members within regulatory limits. Quantum of sitting fees may be subject to review on a periodic basis, as required. Within the parameters prescribed by law, the payment of sitting fees will be recommended by the Nomination & Remuneration Committee and approved by the Board.

In addition to the sitting fees, the Company may pay to any Non- Executive Director such fair and reasonable expenditure, as may have been incurred by such Director while performing his/her role as a Non- Executive Director of the Company. This could include reasonable expenditure incurred by the Non- Executive Director for attending Board/Board committee meetings, general meetings, court convened meetings, meetings with shareholders/creditors/ management as per the provisions of the Companies Act, 2013.

#### **AMENDMENTS:**

The Company reserves the right to modify and/or amend this document at any time subject to the applicable provisions the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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